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India

Food Processing Ingredients

India's food processing sector is poised for growth in response to changing demographics, evolving preferences for branded items, a modernizing retail sector, growing consumer acceptance of processed foods, and government advocacy to develop food manufacturing.

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Report Highlights:
India's food processing sector is poised for growth in response to changing demographics, evolving preferences for branded items, a modernizing retail sector, growing consumer acceptance of processed foods, and government advocacy to develop food manufacturing. Packaged food sales almost doubled between 2011 and 2015 to $38 billion and there is opportunity for further growth. Imports of non-standardized foods and ingredients remain a challenge.

Post:
New Delhi

Executive Summary:

Section I – Market Summary

Increasing urbanization, lifestyle changes, greater affluence, and increased rates of women working outside of the home are driving demand for processed foods. According to the Ministry of Food Processing, the food processing sector accounts for 1.7 percent of gross domestic product and is valued at $25 billion (based on a revised series). According to the latest Annual Survey of Industries, there are 37,175 registered food processing units in the country that have employed approximately 1.7 million people. As per an assessment of the extent of food processing in various food sub-sectors done in 2014 by the Institute of Economic Growth on behalf of the Ministry of Agriculture, the average extent of processing of agro-products in 2010-11 was 6.76 percent.

Table 1. India: Registered Manufacturing Units in the Food Processing Sector

Code (4-Digit NIC, 2008	Items	Number of Factories	Number of Persons Engaged
1010	Processing and preserving of Meat	140	22,130
1020	Processing and preserving of fish, crustaceans and molluscs and products thereof	462	36,773
1030	Processing and preserving of fruits and vegetables	1,110	55,090
1040	Manufacture of vegetable and animal oils and fats	3,312	111,218
1050	Manufacture of dairy products	1,695	135,108
1061	Manufacture of grain mill products	18,131	302,934
1062	Manufacture of starches and starch products	723	19,915
1071	Manufacture of bakery products	1,519	96,826
1072	Manufacture of Sugar	859	260,078
1073	Manufacture of cocoa, chocolate and sugar confectionery	539	30,794
1074	Manufacture of macaroni, noodles, couscous and similar farinaccous products	129	8,477
1075	Manufacture of prepared meal and dishes	352	16,220
1079	Manufacture of other food products n.e.c.	5,251	412,890
1080	Manufacture of prepared animal feeds	873	38,730
1101	Distilling, rectifying and blending of spirits; ethyl alcohol production from fermented materials	365	47,840
1102	Manufacture of wines	78	8,474
1103	Manufacture of malt liquors and malt	154	29,147
1104	Manufacture of soft drinks; production of mineral waters and other bottled waters	1,483	56,532
	Total	**37,175**	**1,689,176**

Source: Annual Survey of Industries (ASI), Ministry of Statistics and Program Implementation; MOFPI Annual Report 2015-16, Government of India (GOI).

A great deal of Indian food is sold fresh or partially processed in traditional open air stalls, street carts and shops. A significant segment of food processing was confined to primary processing (e.g., milling and crushing) of cereals, pulses and oilseeds along with the processing of foods such as traditional pickles, spice mixes and snack foods (cookies and savory snacks). Until the late 1990s, most of the food processing sector was limited to small-scale industries (SSI) where only small firms were allowed to obtain a license to process foods. In recent years, laws have changed to allow large firms to invest in the sector and Indian and global food companies have entered the sector. Despite increasing investment and modernization in the industry, various challenges, including; dynamic policy regulations; lack of appropriate processing, lack of training in food processing/safety/etc.; storage and transportation infrastructure; awareness of price consciousness, which affects food safety and quality; etc. exist. While food processing and storage infrastructure has expanded (e.g., the recent drive for food processing parks), transportation and logistics-related infrastructure growth is sluggish.

The 'Make in India' campaign launched in 2014 facilitates investment, generates employment and helps build a manufacturing infrastructure in the various sectors including food processing. The government aims to reduce food losses and keep a check on food inflation by attracting investment into food processing and the food value chain. Food parks are being developed across the country to support domestic demand for processed foods, beverages, and ingredients for food service and retail/consumer sale.

While India is one of the world's largest producers of fruits, vegetables, cereals and milk, a significant amount of food is damaged or lost each year due to insufficient and inadequate storage, transportation, cold chain, and post-harvest or further processing facilities. The MOFPI continues its effort to evolve a policy that would boost food processing and reduce agricultural wastage by 50 percent by 2022. A repeat study conducted by the Central Institute of Post-Harvest Engineering and Technology (CIPHET) showed that perishable product wastage varies from 4.6-15.9 percent and is valued at $13 billion/INR 9,2651 crore annually (based on 2014 wholesale prices). The estimates of annual losses in the repeat study indicate that while there has been improvement in the reduction of post-harvest loss in fruits and vegetables and fisheries, there has been an increase in annual losses for cereals, pulses, oilseeds, dairy, livestock and poultry. As such, trade and Indian officials believe there is a need to develop cold storage facilities across sectors. A study on "All India Cold Chain Infrastructure Capacity (Assessment of Status & Gap)" was commissioned by National Center for Cold Chain Development (NCCD) under GOI. As per the study, the cold chain requirement in the country stands at 35 million tons and available capacity is only 32 million tons. This study however, excluded the requirements for milk, meat, marine and processed products.

Table 2: India: Estimated Post Harvest Losses of Food Products by Category

Crop	Annual Loss (%) 1/	Annual Loss (%) 2/
Cereals	3.9 - 6.0	4.7 – 6.0
Pulses	4.3 - 6.1	6.3 - 8.4
Oilseeds	2.8 - 10.1	3.0 - 9.9
Fruits and Vegetables	5.8 - 18.0	4.5 - 15.8
Milk	0.80	0.92
Fisheries (Inland)	6.90	5.23
Fisheries (Marine)	2.90	10.52
Meat	2.30	2.71
Poultry	3.70	6.74

Source:
1/ CIPHET Study on Post-Harvest Losses 2010, Ministry of Food Processing Industries Annual Report 2012-13, Government of India
2/ CIPHET Study on Post-Harvest Losses 2015, Ministry of Food Processing Industries Annual Report 2015-16, Government of India

Key Factors Driving Growth in the Indian Food Processing Sector

Rising Disposable Incomes - Income growth has increased consumer appetites and discretionary spending. This shift in spending appears promising for manufacturers and service providers; especially, in hotel, leisure, healthcare and household goods and service categories. According to the Government of India, the per capita net national income during 2015-16 was $1,381 (INR 93,231); a rise of 7.3 percent over the previous period.

Women in Workplace and Changing Lifestyles - Increases in urbanization and the number of working women has pushed consumers to look for products offering convenience. This will lead to trading up from unpackaged to packaged and unbranded to branded products. Urbanization will continue driving consumers towards packaged foods, as well. Additionally, consumers have gained some health consciousness – a development which has led them to choose their packaged foods products more wisely. Given that the industry is underpenetrated, improved competition will create more awareness and better availability through stronger distribution and bolster volume growth.

Demographic Changes - India's current population is nearly 1.25 billion, up from 670 million in 1980. The pace of growth is slowing but the country's age structure promises continued gains for some time. The median age is rising over time but is still relatively low – just 27.6 years in 2015. About 415 million people (33 percent) of India's population is classified as urban and nearly 56 percent is under the age of 30. The Indian government projects that there will be 400-500 million people in the work force before 2025 but if female empowerment takes off that figure might increase to 600 or 700 million.

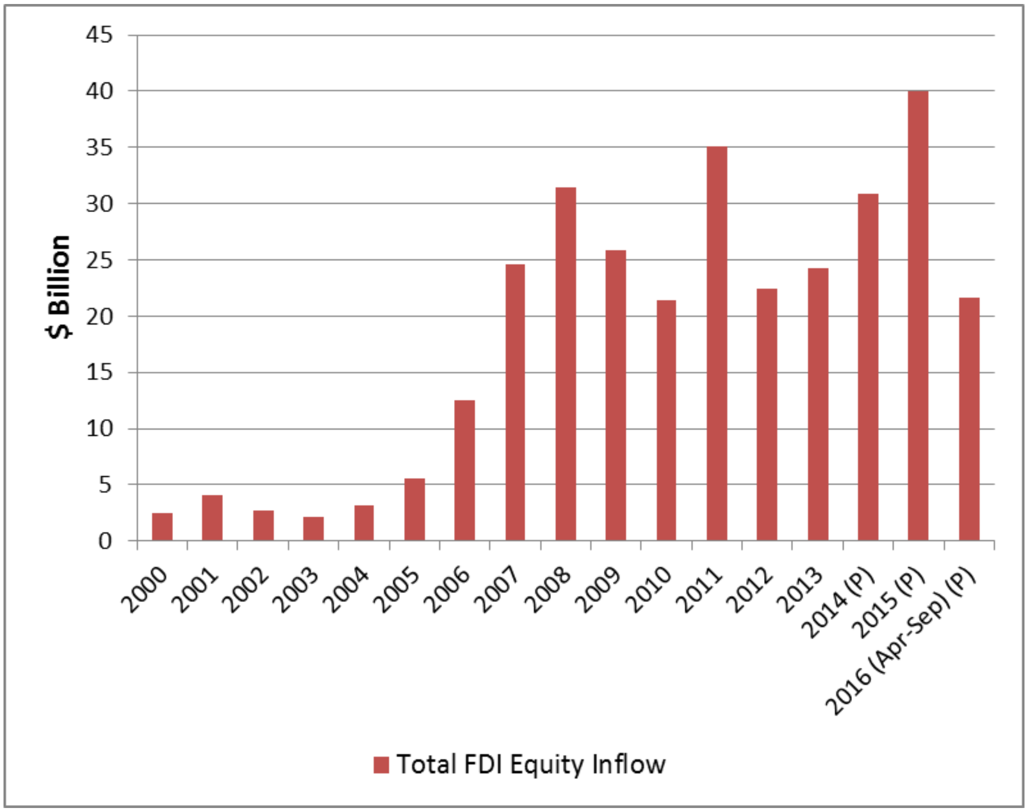
Rising Organized Retail and E-retail outlets – Although small, traditional outlets dominate the Indian food retail sector and account for 98 percent of sales, modern retail chains offering a consumer-friendly shopping experience are emerging and stores now exceeded 3,200 in 2014. India remains a growing market for consumer-ready food products. With a sharp rise in mobile penetration across India, online and e-commerce retail opportunities have opened up and afforded options to consumers on payment mechanisms as well as conveniences for time and cost savings.

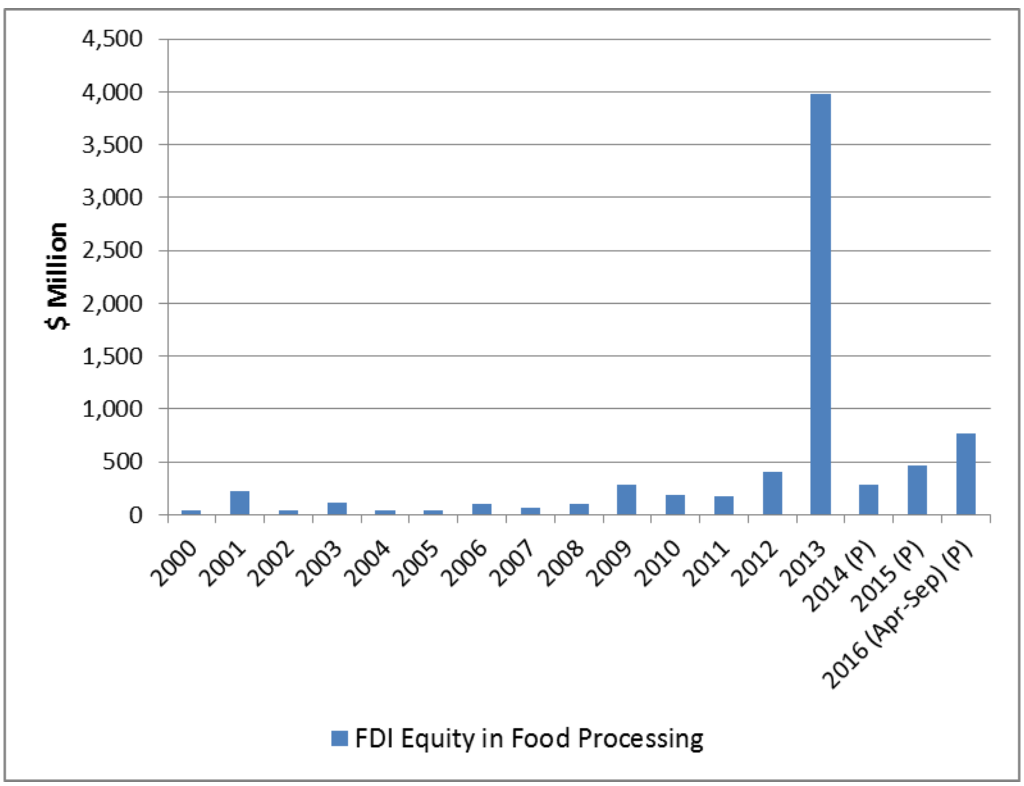
Emerging Casual Dining Restaurant (CDR) and Quick Service Restaurant (QSR) Segments -
India has witnessed a sizeable shift in its CDR and QSR sector. CDRs and QSRs have gone from largely serving Indian snacks to serving western foods with an Indian flavor. The restaurant sector in India is divided into the organized and unorganized market. The unorganized international-style market includes roadside vendors, vans and trolleys serving Chinese and Italian-style foods. The organized sector includes QSRs, CDRs, pubs, bars, clubs and lounges (PBCL), and food court kiosks. In terms of market segments, QSR and CDR formats account for 74 percent of the total market, while cafés make up 12 percent, and fine dining and PBCL comprise the remaining 14 percent. QSR's have their presence in different formats such as dine-in, food courts in malls and drive-ins at highway rest areas which has provided customers easy access to these restaurants.

Government Policy (Foreign Direct Investment Policy)
A World Bank Report, 2016, states that India ranks 130 out of 189 countries in the ease of doing business, and has moved up four places from last year's ranking of 134. The Government of India has simplified investment procedures in the food processing sector in an effort to attract foreign investment and boost job creation. The number of food products reserved for small scale industries has been reduced; investments are permitted under the "automatic route" which simplifies capital reporting procedures; and up to 100 percent foreign equity can be invested for most products as listed under the Consolidated FDI Policy; As per current policy, the government allows 100 percent foreign direct investment (FDI) upon approval and for any foreign investment beyond 51 percent, it is required that 30 per cent of the value of goods be sourced from India. The "controlled conditions" clause for 100 percent FDI under "automatic route" for animal husbandry has been done away with. To encourage the development of food processing industries, the Government reduced excise duties on food processing and packaging machinery from 10 percent to 6 percent, allowed food processing units a 100 percent income tax exemption on profits for the first five years of operation and a 25 percent income tax exemption on profits for the next five years as well as other incentives.

According to the Ministry of Commerce, the food processing industry has attracted investment valued at U.S. $7.3 billion during 2000-16 of which only 2.36 percent was in the sector. (Note: In the bottom half of figure 1, below, the spike in 2013 is associated with government efforts aimed at clearing out long-standing cases.).

Figure 1. India: Fiscal Year (Apr-March) FDI in Food Processing





Source: Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India

Table 3. India: Country wise FDI inflow into Food Processing Industries from 2013-2015 (in USD million)

S. No	Country	2013-14	2014-15	2015-16	Total
1	Mauritius	93.58	85.83	85.99	265.40
2	U.S.A	46.08	116.11	76.03	238.22
3	Singapore	249.15	83.06	56.75	388.96
4	Italy	0.52	0.99	48.10	49.61
5	Cyprus	2.34	16.77	47.78	66.89
6	Luxembourg	0.06	-	32.38	32.44
7	Germany	0.28	0.03	27.13	27.44
8	Netherlands	262.61	1.41	24.33	288.35
9	Japan	1.37	31.90	19.19	52.46
10	Canada	0.27	10.98	10.91	22.16
11	British Virginia	1.03	0.10	10.78	11.91
12	Malaysia	0.42	0.38	9.61	10.41
13	Belgium	204.82	-	9.49	214.31
14	Australia	12.35	7.29	8.60	28.24
15	United Kingdom	3,022.67	2.73	7.79	3,033.19
16	Taiwan	-	-	4.25	4.25
17	France	27.34	98.11	4.24	129.69
18	UAE	7.37	7.78	4.08	19.23
19	Caymen Islands	-	-	4.02	4.02
20	Spain	18.19	7.51	2.81	28.51
All Others		32.47	44.89	11.66	89.02
Grand Total		**3,982.92**	**515.87**	**505.92**	**5,004.71**

Source: Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India

GST Implementation Expected to Boost Growth in Food Processing Sector

India's goods and services tax (GST), if implemented, is poised to change the country's architecture of indirect taxation, most notably by establishing an integrated common market for the whole country which would replace the current state-by-state taxation system for most goods. The GST is expected to remove indirect taxes like excise duty, service tax, octroi, value added tax (VAT), entry tax, purchase tax, luxury tax and local cess among others allowing for faster movement of goods especially perishable agricultural products. Alcoholic beverages have been excluded from GST and will be taxed separately. Credits of input taxes paid at each stage will be available in the subsequent stage of value addition, which makes GST essentially a tax only on value addition at each stage. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages. For imported products, the Additional Duty of Excise or CVD and the Special Additional Duty or SAD presently being levied on imports will be subsumed under GST. Unlike in the present regime, the States where imported goods are consumed will now gain their share from this Integrated GST paid on imported goods.

Trade Policy

High tariffs at the federal and state-level disadvantage imported ingredients and limit opportunities for foreign exporters. India's average bound tariffs on food and agricultural products averages between 30-40 percent. In addition, there are several additional fees that apply. Exporters should work closely with their prospective importers to determine the likely landed post-duty cost of their products.

The Ministry of Food Processing is an advocate for investing in India with the goal of exporting processed products as well as catering to domestic demand. Use of imported ingredients in these facilities remains limited. A large number of multinationals have set up their plants in India over the years (Refer Table 4).

There are several key trade restrictions that limit market access for U.S. food products. Imports of most animal and livestock-derived food products are effectively banned due to established Indian import requirements. This includes certain sub-categories in the Harmonized Tariff Schedule under Chapters 2, 3, 4, 5, 16 and 21 (e.g. milk and dairy products, poultry meat, certain seafood, ovine and caprine products, as well as pork products and pet foods). Furthermore, imports of beef are banned due to religious concerns. The foods derived from biotech crops (except soybean oil) are also effectively prohibited due to stringent import requirements. Exporters should also ensure that their products comply with India's food labeling and inspection requirements. The Ministry of Health and Family Welfare regulates both domestic and imported range of processed foods and food ingredients, through the requirements laid out in Food Safety and Standards Act.

Regulations and Requirements:

The Food Safety and Standards Authority of India (FSSAI) made it mandatory for every food business operator (FBO) in the country (including Food Processing Companies) to follow and comply with the Food Safety and Standards Act, 2006, and Rules & Regulations, 2011. After a number of extensions, the final date of compliance was August 4, 2016 (See GAIN IN6075 for additional information).

On May 14, 2015, the GOI, Department of Consumer Affairs published a notification in the Indian official gazette, amending the Legal Metrology (packaged commodities) Rules, 2011. Important highlights of the amendment include: (a) Adopting the definition of retail packages as defined by FSSAI; and (b) Allow the use of stickers to include all labeling requirement data on imported food packages. On December 29, 2015, the timeline for the implementation of Legal Metrology (Packaged Commodities) (Amendment) Rules, 2015 was postponed until June 30, 2016. The extension of enforcement date applied to Rule 6, 7 (Sub-rule 5), and 9 of the Legal Metrology (Packaged Commodities) Rules, 2011. See GAIN Reports IN5076 and IN6004 for more information.

In order to facilitate an enabling regulatory environment for the food industry and in line with the 'Ease of doing Business' initiative, FSSAI published Food Safety and Standards (Food Products Standards and Food Additives) Amendment Regulations, 2016, relating to new standards for proprietary food. With this amendment, nutraceuticals, health, and dietary supplements and other food products are no longer considered as proprietary food and will be approved under a separate category. The new definition of proprietary food allows the manufacture, sale, distribution and import of such foods without product approval. However, the onus of ensuring the safety of such category of foods was shifted to the food business operator. All required information on proprietary foods can be accessed from GAIN reports IN6016, IN6026, IN6050 and IN6082.

On October 4, 2016, the FSSAI published its new draft Regulation called the "Food Safety and Standards (Approval for Non-Specified Food and Food Ingredients) Regulations, 2016" The draft Regulation outlines new product approval procedures for all food products not already covered under any pre-existing Regulations under the Food Safety Act, 2006. These products have been termed by FSSAI as "non-specified food and food ingredients." The comment window for WTO member countries on the draft Regulation closed on December 16, 2016. See GAIN report IN6132 for more information.

Table 4. India: Advantages and Challenges for U.S. Food Ingredients

Opportunities	Challenges
• Growth in the food processing industry	• Processed foods still seen as inferior to fresh foods by many consumers
• Increasing disposable incomes, dual income households, urbanization, increasing numbers of nuclear families, preference for convenience foods	• Forward and backward linkages still developing
• Seasonality of raw materials produced in India	• Fragmented and long supply chain
• Indian consumers are becoming more accepting of foreign foods and flavors	• Processing firms source most of their ingredients locally
• Small but growing modern food retail and e-e-retail sector	• Modern retail sector is relatively small
• Increasing demand for quality and hygienic ingredients and foods	• High tariffs and market access issues
• Rising number of foreign brands is boosting quality throughout the sector	• Despite expanding palates, most consumers prefer Indian cuisine.
• U.S. food ingredients are well-known and considered of high quality.	• New local food developments follow global market trends (natural foods, juices, processed meats)
• Local processors are increasing their production capacity and food quality to meet higher export standards for foreign markets.	• Dynamic food safety policy regulations
• Government support to attract FDI in food processing sector	• Low levels of processing, storage and transportation infrastructure
• Consumers moving away from cereals towards higher protein rich diet	• Price-sensitive market

Section II – Roadmap for Market Entry

A. Entry Strategy

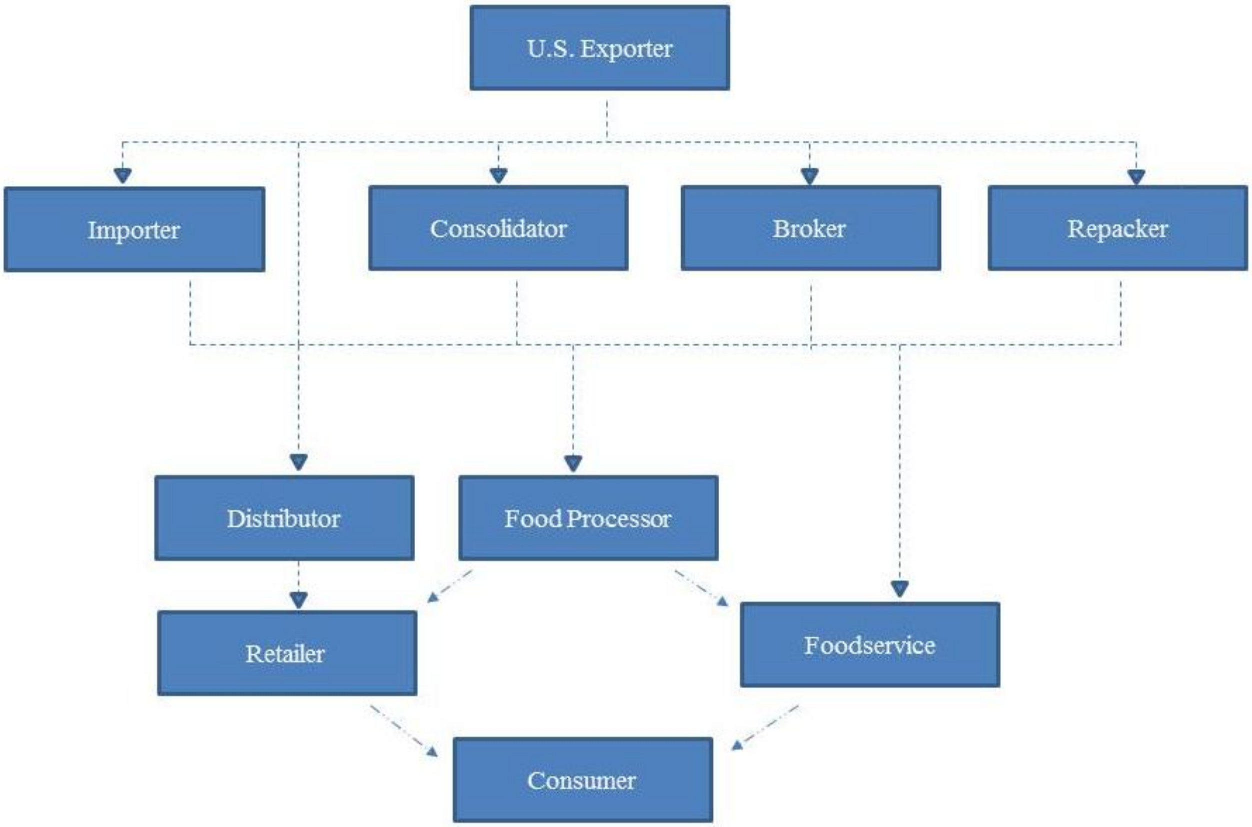
The best way to begin exporting to India is to identify a firm that imports and distributes food ingredients. These firms are adept at navigating the import and distribution processes and are able to engage directly with India-based food processors. While a few firms specialize in ingredients, others may handle retail-ready products in addition to ingredients. Some importers are also approved suppliers for multinational food processors and restaurants operating in India. U.S. processors that already supply major food processors in the United States or other foreign markets may wish to investigate similar supply relationships with firms that have a presence in India. Key initial factors to consider when researching the market are whether a product has a market access and the landed post-duty cost of a product.

- Survey existing and potential opportunities by reviewing FAS policy and market reports and consider engaging a market research firm to assist in analyzing market opportunities and challenges.
- Determine if your product has market access in India.
- Analyze the likely landed post-duty cost of a product. Recognize that after local margins and transportation, a product may be significantly more expensive.
- Establish a relationship with an Indian importer/distributor that provides services to the food processing sector.
- U.S. firms should examine all distributor prospects and thoroughly research the more promising ones. Check the potential agent's reputation through local industry or trade associations, potential clients or bankers.
- Consider whether participating in an Indian trade show would be an effective means of identifying a distributor.
- For products with a potentially longer shelf life and/or larger order volumes (e.g., from medium or large food processing chains), U.S. exporters may identify and explore supplying through consolidators based in Dubai, Singapore and Europe.

Participation in trade shows offers a good opportunity to get a sense of the Indian market and engage directly with potential importers or distributors. USDA currently endorses one annual trade show in India. The Mumbai-based Annapoorna, World of Food India show typically takes place in September. While this show is not geared specifically to ingredients, it typically draws many of the major Indian importers. Indian importers also travel to major international shows such as SIAL, ANUGA and Gulfood. Food Ingredient India is a trade show dedicated exclusively to the ingredient industry and is gaining popularity within the industry.

Ensuring payment is another important consideration when establishing a relationship with an importer. Until a successful working relationship is established, exporters may wish to consider vehicles such as an irrevocable letter of credit. Alternatively, Indian importers are accustomed to operating without credit and may be willing to pay cash prior to shipment. While FAS India receives few queries concerning delinquent Indian importers, our offices do not have the authority or expertise to mediate contractual disputes or serve as a collection agent when differences over payment arise. FAS India can recommend local legal services (refer IN4069), but these situations can be avoided with proper preparation and sale terms. For firms that qualify, the Export-Import Bank of the United States provides exporter insurance.

B. Market Structure



C. Company Profiles

Depending on the scale of the operation, the Indian food processing sector can be divided into the following categories:

- Large Indian companies
- Wholly-owned subsidiaries of foreign companies or joint ventures
- Medium-sized domestic food processing companies with a local or regional presence.
- Small-scale companies or cottage industries in the "unorganized" sector.

Table 5. India: Major Food Processing Players in the Indian Market

Company	Product Types	Brand	End-Use Channels	Production Location
Aachi Group (Aachi Masala Foods Pvt. Ltd., Aachi Spices and Foods Pvt. Ltd., Aachi Special Foods Pvt. Ltd.)	Pure and Blended Spice powders (Masalas), Wheat products, Edible Oil, Ghee, Ready to Cook products, Asafoetida, Papad, Rice and Wheat products for Diabetic patients, Tea, Biscuits, Vegetable pickles ,rice paste varieties & thokku varieties, Soups	Aachi	Retail, Export	Karnataka
AB Mauri	Bread improvers, cake mixes, bread mixes, cake gels, sweet flavors, seasonings, emulsions for beverages, flavors and color blend	Tower, Prime, Mauripan, Mauri	Foodservice	Karnataka, Maharashtra, Uttar Pradesh, Kerala, West Bengal
Adani Wilmar (50:50 JV between Adani Group, India and Wilmar Holdings, Singapore)	Cooking oils, vanaspati, packed basmati rice, pulses	Fortune, Fortune Plus, King's, Bullet, Raag, Fryola, Avsar, Jubilee, Pilaf, Alpha, Aadhaar, A-kote	Retail	Madhya Pradesh, Rajasthan, Gujarat, West Bengal, Maharashtra, Andhra Pradesh, Karnataka, Tamil Nadu
Agro Tech Foods Ltd. (A public limited company, affiliated with ConAgra Foods Inc., USA)	Edible oils, snacks, spreads, RTE & RTC popcorn, soups, puddings and desserts, meals and meal enhancers	Sundrop, ACT II, Hunt’s Snack Pack, Crystal, Snack Break, 10 min Yummeals	Retail & Foodservice	Maharashtra, New Delhi, Andhra Pradesh and West Bengal
Al-Kabeer Exports Private Limited	Seafood, RTE meals, cottage cheese, snacks, nuggets, burgers, French fries	Al-Kabeer	Retail	Hyderabad
Allanasons	Halal Frozen boneless buffalo meat, halal chilled vacuum packed buffalo and mutton, tropical fruit purees, pulps, spices, grains, coffee beans, feed ingredients and pet foods	Saffa, Premier	Retail & Foodservice	Andhra Pradesh, Maharashtra, Karnataka, Uttar Pradesh, Madhya Pradesh
Anmol Biscuits	Biscuits and cakes	Anmol	Retail	West Bengal and Delhi
AVT McCormick Ingredients Ltd.	Spices, oleoresins, spice mixes	McCormick	Export, Retail	Kerala
Balaji Wafers Pvt. Ltd.	Wafers and Indian snack foods	Balaji	Retail	Gujarat
Bikaji Foods International	Indian snacks, chips, Indian sweets, frozen snacks, cookies, canned sweets	Bikaji	Retail & Foodservice	Rajasthan
Bikanervala Foods Pvt. Ltd.	Syrups, Indian sweets, Indian savory snacks, biscuits, cookies, cakes, chocolates	Bikano	Retail & Export	Andhra Pradesh, Delhi, Gujarat
Britannia Industries Limited (Britannia New Zealand Foods Pvt. (50:50 JV between Britannia Industries Ltd. and Fonterra , New Zealand)	Biscuits, bread, cakes, cheese, dairy whitener	Britannia	Retail	Delhi, Maharashtra West Bengal & Tamil Nadu
Cadbury India Limited (Mondelēz International)	Chocolate, confectionery, milk based drinks, candy, chocolate, beverages, biscuits, gum	Cadbury Dairy Milk, Cadbury Celebrations, Bournville, 5 Star, Perk, Gems, Toblerone, Bournvita, Tang, Oreo, Halls, Bubbaloo	Retail	Maharashtra, Madhya Pradesh, Andhra Pradesh, Karnataka and Himachal Pradesh

Capital Foods	Ketchup, cooking and curry pastes, soy sauce, baked beans, mango chutney, coconut milk powder, hakka and instant noodles, soup & sauce mixes frozen entrees	Ching's Secret, Smith and Jones	Retail & Foodservice	Maharashtra, Gujarat
Cargill India Private Limited	Vegetable oils, wheat flour, flavors etc.	Nature Fresh	Retail	Haryana
Dabur Foods Limited	Fruit juices, vegetable pastes, tomato ketchup, honey	Real, Nature Care, Capsico, Homemade, Dabur	Retail	West Bengal, Nepal
Darshan Foods Private Limited	Skinless sausages, pepperoni, German salami, sausages, lemon pepper breaded burger patty, black forest ham, chicken breast roll, imported French turkey	Meatzza	Retail & Foodservice	Haryana
Desai Brothers	Indian pickles, papads, appalams, cooking pastes, curry powders, ready to cook products, ready to eat products, chutneys, canned vegetables, mango pulp	Mothers Recipe, Dabee, Rozana	Retail	Maharashtra
Devyani Food Industries Pvt. Ltd.	Ice-cream	Cream Bell	Retail & Foodservice	Himachal Pradesh
Dharampal Satyapal Group	Spices, snacks, flavored water, spring water, skimmed milk powder, whole milk powder, pasteurized cream, white butter, mouth freshener, powdered beverages	Catch, Dairy Max, Pass Pass, Piyoz, Yomil	Retail	Himachal Pradesh, Uttar Pradesh, Delhi, Assam and Tripura
Dr. Oetker India Pvt. Ltd./ Funfoods Pvt. Ltd.	Mayonnaises, sauces, spreads, salad dressings, cakes, dessert toppings, milk shake mixes, bar syrup concoctions, muesli	Dr. Oetker Fun Foods	Retail & Foodservice	Delhi
Dynamix Dairy Industries Ltd	Cheese, butter, clarified butter, whole milk powder, skimmed milk powder, dairy whitener, infant food, casein / lactose, whey products, UHT plain milk, flavored milk & juices	Dynamix	Retail, Foodservice, Export	Maharashtra
Ferrero India Private Limited	Chocolates, chocolate spread, mouth freshners	Ferrero Rocher, Nutella, tic tac, kinder joy	Retail	Maharashtra
Field Fresh Foods Private Limited (A Joint venture between Bharti Enterprises & Del Monte Pacific Limited)	Packaged fruits, fruit drinks, ketchup, pasta sauces, olive oil	Del Monte, Fieldfresh	Retail & Foodservice	Tamil Nadu, Punjab
Foods and Inns	Processed Tropical fruits pulps, purees and vegetables, Canned, Spray Dried powders, Frozen and IQF vegetables	N/A	Export	Maharashtra, Gujarat, Andhra Pradesh
General Mills India	Whole wheat flour, vermicelli, cake mixes (cooker and oven), custard powder, canned corn and specialty vegetables, baking	Pillsbury, Betty Crocker, Nature Valley, Green Giant, Häagen-Dazs	Retail & Foodservice	Karnataka

	mixes and specialty flour, granola bars, ice cream, frozen Indian flat breads			
Gits Foods	Ready meals, instant mixes, dairy products	Gits	Retail	Maharashtra
GlaxoSmithKline Consumer Healthcare	Health food drinks, biscuits	Horlicks, Boost, Maltova, Viva	Retail	Punjab, Andhra Pradesh, Haryana
Gujarat Cooperative Milk and Marketing Federation	Packaged milk, butter, milk, fresh cream, milk powder, sweets, clarified butter, milk spray, cheese, chocolates, yogurt, infant milk formula, sweetened condensed milk, ice-cream and flavored milk	Amul	Retail, Export, Foodservice	Gujarat
Haldiram Snacks Pvt. Ltd.	Indian savory snacks and sweets, frozen foods	Haldiram’s	Retail	Maharashtra
Hatsun Agro	Packaged milk, butter, milk, fresh and frozen cream, milk powder, sweets, clarified butter, yogurt, condensed milk, ice-cream and flavored milk	Arokya, Hatsun, Arun Ice cream, Hatsun Dairy, Ibaco	Retail & Foodservice	Tamil Nadu, Karnataka
Heinz India Private Limited	Tomato ketchup, baby food, energy drink	Complan, GluconD, Heinz	Retail	Uttar Pradesh and Karnataka
Heritage Foods Limited	Milk, Ice Cream, Dairy Products, Beverages. Instant Foods, Sauces, Potato Chips, Honey, Pickles, Jams/Marmalades,, Salt, Spices, Wheat Flour	Heritage	Retail, Export	Andhra Pradesh, Tamil Nadu, Telangana, Karnataka, Maharashtra
Hershey India Private Ltd. (100% subsidiary of the Hershey Company. USA)	Confectionery, soymilk, juices,	Sofit, Jumpin, Hershey’s Syrup, Nutrine (Maha Lacto, Maha Choco, NUTRINE Eclairs, NUTRINE Lollipop, NUTRINE Santra Goli, AASAY, KOKANAKA and HONEYFAB)	Retail & Foodservice	Madhya Pradesh and Andhra Pradesh
Hindustan Coca Cola Beverages Pvt. Ltd.	Aerated beverages, fruit juices, energy drinks, tea and coffee	Coca-Cola, Diet Coke, Kinley, Georgia, Thums up, Sprite, Fanta, Limca, Maaza, Minute Maid, Burn, Schweppes	Retail	Jammu, Uttarakhand, Uttar Pradesh, Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Goa, West Bengal, Andhra Pradesh, Karnataka, Orissa, Bihar, Meghalaya, Assam, Tamil Nadu
Hindustan Unilever Limited (Unilever holds 51.5 % equity in HUL)	Tomato ketchup, fruits drinks, vegetable soups, ice-cream, jams, ready to drink products	Kissan, Annapurna, Knorr	Retail	Maharashtra Madhya Pradesh, Uttar Pradesh
Indian Tobacco Company (ITC)	Fruit purees/concentrates, IQF/frozen fruits, sFoodservicemp, prawns, spices, biscuits, salty snacks, wheat flour, RTE foods, confectionery	Sunfeast, Kitchens of India, Aashirwad, Candyman, Mint-o, Bingo	Retail	Karnataka and West Bengal
Indo Nissin Foods Ltd. (a subsidiary of Nissin Food Products Company Ltd., Japan)	Noodles	Top Ramen, Cup Noodles	Retail	Haryana and Karnataka

Kellogg's India Private Limited (A wholly owned subsidiary of Kellogg's U.S.A.)	Breakfast cereals, biscuits	Kellogg's	Retail	Maharashtra
Kwality Dairy	Dairy products (ghee, butter, yogurt, milk, sweet and flavored milk, UHT milk, cottage cheese, dairy creamers)	Dairy Best	Retail, Exports	Haryana
Mahaan Foods Limited, Mahaan Dairies Limited, Mahaan Protein Limited	Coffee and dairy whiteners, edible casein, pharmaceutical and edible grade lactose, whey protein concentrate, milk protein concentrate, clarified butter, SMP, full cream milk powder, dehydrated milk fat, milk powder replacer, functional foods, infant food formulation, sports food, sauces and soups	Mahaan	Retail Foodservice Processing	Delhi
MARS International India Pvt. Ltd.	Pet foods, confectionary	Pedigree, Whiskas; Boomer, Doublemint, Juicy Fruit, Orbit, Pim Pom, Solano, Trex	Retail	Karnataka, Himachal Pradesh
Marico	Edible Oils, Oats, Muesli, Salt	Saffola	Retail, Export	Goa, Puducherry, Kerala, Himachal Pradesh, Uttarakhand, Daman and Diu
McCain Foods India	Frozen French Fries and Potato Specialties, Burger Patties	Smilies, Super Wedges, Cheese Shots	Retail, Foodservice, Export	Gujarat
Monginis Food Ltd.	Cakes, cookies and chocolates	Monginis	Retail & Foodservice	Maharashtra, Gujarat, Goa, Karnataka, Andhra Pradesh
Mother Dairy Fruit and Vegetable Private Ltd.	Ice-cream, fluid milk, flavored milk, butter, clarified butter, UHT milk, cheese, yogurt, dairy whitener, juices, edible oils, fresh & frozen fruits & vegetables	Mother Dairy	Retail, Export and Restaurants	Delhi
Mrs. Bector's Foods Specialties-CREMICA	Sauces, mayonnaise, toppings, syrups, biscuits, Indian snack foods, stabilizer blends and ice cream	Cremica	Retail & Foodservice	Punjab
MTR Foods Limited (Owned by Norway-based Orkla)	Soups, RTE foods, rice meals, spice powders, instant sweet mixes, instant ice-cream mixes, vermicelli, pickles, ice-cream	MTR	Retail	Karnataka and Maharashtra
Nashik Vintners	Wine	Sula	Retail	Maharashtra
Nestle India (Nestlé India is a subsidiary of Nestle' S.A. of Switzerland)	Dairy whitener, yogurt, noodles, tomato ketchup, packaged milk, multi grain breakfast cereal, energy drinks, chocolates	Nescafe, Maggi, Milky Bar, Milo, Kitkat, Barone, Milkmaid and Nestea	Retail	Punjab, Haryana, Uttaranchal, Goa, Karnataka and Tamil Nadu
Parle Agro Private Limited	Coffee, Juices, Packaged Water and Snacks, confectionery, biscuits	Café Cuba, Appy Fizz Frooti, Bailley, Hippo, Frio, Dhishoom, Parle G, Monaco, Hide & Seek,	Retail	76 Manufacturing Facilities across the country

		Golden Arcs, Top, Krackjack,, Top, Milano, Nimkin, Jam-in, Gold Star, Milk Shakti, Actfit Cream Cracker, Parle Marie, Kreams, Orange Bite, Londonderry, Melody, Mango Bite, Poppins, Mazelo, Parle's Wafers, Fulltoss, Cheeselings, Kismi, 2in1, Fruit Drops,		
Parry Enterprises	Food flavors, cocoa products, taste enhancers, dairy ingredients, food additives, preservatives, protein, vegetable fat	Parry	Foodservice	Tamil Nadu
PepsiCo India Holdings Limited	Aerated beverages, fruit juices, potato chips, breakfast cereals	Pepsi, Lay's, Tropicana, Aliva, Aquafina, Cheetos, Dukes, Gatorade, Kurkure, Lehar, Mirinda, Mountain Dew, Nimbooz, Quaker Oats, Slice, Uncle Chips	Retail	
Perfetti Van Melle India (a subsidiary of Perfetti Van Melle, Italy)	Snacks, confectionery and chewing gum	Stop Not, Center Fresh, Alpenliebe Creamfills, Alpenliebe Lollilop, Centre Fruit, Centre Shock, Mangofillz, Chlormint, Chocoliebe, Fruittella, Happydent White, Protex Happydent, Marbels, Mentos Big Babol	Retail	Haryana, Tamil Nadu and Uttarakhand
Pioma Industries	Soft drink concentrate, instant drink powder, fruit jams, cordials, flavors, pickles, curry pastes, snacks, fruit syrups	Rasna	Retail, Export	Gujarat
Prataap (Prakash) Snacks Pvt. Ltd.	Potato chips, extruded snacks from corn and rice, Indian snack food	Yellow Diamond	Retail	Madhya Pradesh
Ruchi Soya Industries	Cooking oils (soybean, cotton seed, groundnut, sunflower, palmolein, mustard, rice bran), soya foods, vanaspati, bakery fats and feed ingredients	Ruchi, Nutrela, Sunrich, Mahakosh, Ruchi Gold and Ruchi Star	Retail	Jammu, Uttarakhand, Madhya Pradesh, Rajasthan, Gujarat, West Bengal, Maharashtra, Andhra Pradesh, Karnataka, Tamil Nadu
Sterling Agro Industries Ltd	Milk, Dairy Creamer, Skimmed Milk Powder, Butter, Butter Milk Powder, Butter Oil. Paneer, Ghee, Yogurt, Buttermilk	Nova	Retail, Foodservice, Export	Madhya Pradesh, Uttar Pradesh
Suguna Poultry Farm Limited	Poultry and poultry products (fresh, chilled, frozen and processed)	Suguna	Retail	Tamil Nadu, Karnataka, Kerala, Uttar Pradesh, Chandigarh, Gujarat Maharashtra and Andhra Pradesh
Surya Food and Agro Pvt. Ltd.	Biscuits, cookies, chocolates, confectionery, juices and beverages	Priyagold	Retail	Uttar Pradesh and Gujarat

Tasty Bite	Ready-to-eat Indian entrees, rice and noodles, sauces	Tasty Bite	Retail, Foodservice	Maharashtra
Tata Global Beverages	Tea, Coffee and Water	Tata Tea, Tetley, Good Earth, Himalayan, Tata Gluco, Jemča, Vitax, Eight O'Clock Coffee, Grand Coffee and Joekels	Retail, Foodservice, Export	Haryana, Maharashtra, Telangana, Kerala, Tamil Nadu
Unibic Biscuits India	Cookies	Unibic	Retail	Karnataka
United Breweries Limited (UBL)	Beer, spirits	Kingfisher, Zingaro, UB Export, London Pilsner, Kalyani Black Label, Bullet	Retail Foodservice Export	Punjab, Uttar Pradesh, Maharashtra Goa, Karnataka, Kerala, Tamil Nadu, Andhra Pradesh, Madhya Pradesh, West Bengal and Nepal
Ushodaya Enterprises Private Limited (Ramoji Group)	Pickles, Powders, Pastes, Instant Mixes, Fruit Pulp / Puries, Edible Oils, Pulihora Paste, Papads, Palm Kernel, Ready to Eat, Rice	Priya	Retail	Telangana
Vadilal Industries Limited	IQF – Frozen foods, fruit pulp, Indian breads, snacks, ready meals, mixes, condiments, desserts, canned products	Vadilal Quick Treat	Retail	Gujarat and Uttar Pradesh
Venkateshwara Hatcheries Group	Poultry and poultry products (fresh chilled, frozen and processed)	Venkys	Retail	Maharashtra and Madhya Pradesh
VRS Foods Limited	Bactofuged milk (bacteria free), yogurt, butter milk, cheese (cottage, mozzarella), UHT milk, clarified butter, SMP, instant dairy mix, demineralized whey powder, edible casein	Paras	Retail Processing	New Delhi and Uttar Pradesh
Weikfield Products Co. (India) Pvt. Ltd.	Custard powder, baking powder, drinking chocolate, cream caramel, chutneys, sauces and natural ayurvedic health foods	Weikfield	Retail	Maharashtra
Kohinoor Food Ltd.	Basmati Rice, RTE meals, wheat flour, ready mixes, Indian savories, biscuits, cookies, dry fruits, rice bran oil, cottage cheese,	Kohinoor	Retail	Punjab and Haryana
KRBL Ltd.	Rice, edible oil, fuel additive, cattle feed	India Gate	Retail	Uttar Pradesh, Punjab, Delhi
Milkfood Ltd.	Skimmed milk powder, Casein, whey powders, dairy creamers, ghee	Milkfood	Retail	Punjab, Uttar Pradesh
Cavinkare	Fruit Drinks, Milk, UHT Milk, Flavored Milk, Cottage Cheese, Buttermilk, Milkshake, Indian savory snacks, potato chips, pickles, peanut candy, pastes	Ruchi, Ruchi Magic, Chinnis, Garden, Cavin's, Maa, Cruncho	Retail	Maharashtra, Tamil Nadu, Telangana, Puducherry
Maiyas Beverages and Foods	Beverages, frozen food, instant mix, spice powders pickles, ready to eat, savories, Indian sweets	Maiya's	Retail, Foodservice	Karnataka
Patanjali Foods	Honey, clarified butter, fruit	Patanjali	Retail and	Uttarakhand,

	juices, cookies, spices, candies, jam, biscuits, sweets, savories, cereals, flour, pickles, pulses, rice products		export	Maharashtra, West Bengal

Note: Most information has been sourced from company websites. This list is neither exhaustive nor ranked in any particular order.

Table 6. India: List of Major Indian Food Processing Associations

Wheat Products Promotion Society	http://www.wpps.org/
All India Food Processors' Association	http://www.aifpa.net
Indian Pulses and Grain Association	http://www.ipga.co.in/
Indian Beverage Association	http://in-beverage.org
The Solvent Extractors' Association of India	http://www.seaofindia.com/
The Soybean Processors Association of India	http://www.sopa.org/
The Indian Sugar mills Association	http://www.indiansugar.com/
The Indian Dairy Association	http://www.indairyasso.org/
The Poultry Federation of India	http://pfindia.org/
All India Meat and Livestock Exporters Association	http://www.meat-ims.org/
The All India Rice Exporters Association	http://www.airea.net/

D. Sector Trends

With the spread of cafés, chain restaurants, modern retail and efforts to attract investment in cold chains and food logistics, the food processing industry is expected to expand. Incentives and subsidies are offered for a variety of programs. The Ministry of Food Processing Industries has set targets to increase the level of processing of perishables from 6 to 20 percent, value addition by 20 to 35 percent and India's share of global processed-food trade from 1.5 to 3 percent by the year 2015. A government study entitled "Human Resource and Skill Requirements in the Food Processing Sector (2022)" indicates that by 2022, food processing industry is expected to generate 4.4 million job opportunities. The report states that the organized sector will contribute to 25 percent of total employment for the sector. Through subsidies and incentive programs, the Ministry of Food Processing is supporting cold chain infrastructure, storage facility, modern slaughter houses, food parks and laboratory development. A list of food processing research centers is provided in the following table.

Table 7. India: List of Food Processing Research Centers and Institutions in India

The Indian Institute of Crop Processing Technology	www.iicpt.edu.in/
Central Food Technological Research Institute	www.cftri.com
Directorate of Sorghum Research	www.sorghum.res.in/
National Dairy Research Institute	www.ndri.res.in
CIFT (Central Institute of Fisheries Technology)	www.cift.res.in
The Central Marine Fisheries Research Institute, Kochi	www.cmfri.org.in/
Central Avian Research Institute, Izatnagar	www.icar.org.in/cari/
The Central Inland Fisheries Research Institute (CIFRI)	www.cifri.ernet.in
The Defense Food Research Laboratory (DFRL)	www.drdo.org
Central Potato Research Institute	http://cpri.ernet.in/
Central Plantation Crops Research Institute	www.cpcri.gov.in/
Indian Agriculture Research Institute	www.iaripusa.org

Indian Institute of Horticulture Research	www.iihr.ernet.in
Directorate of Mushroom Research (ICAR)	www.nrcmushroom.org/
Directorate of Wheat Research (ICAR)	www.icar.org.in
Indian Institute of Packaging, Mumbai	http://iip-in.com
Indian Veterinary Research Institute	www.ivri.nic.in
National Institute of Fisheries Post-Harvest Technology and Training (NIFPHATT)	http://ifpkochi.nic.in
National Institute of Nutrition, Hyderabad	www.ninindia.org
Central Leather Research Institute	www.clri.org
Central Institute of Post-Harvest Engineering and Technology, Ludhiana (CIPHET)	http://www.ciphet.in/

Source: Ministry of Food Processing Industries

Government of India Initiatives for Promotion of Food Processing Sector

The Government of India has allocated nearly a billion dollars under the Twelfth Five-Year Plan (2012-17), to implement various programs for the promotion and development of the food processing sector. Programs include: infrastructure development (food parks, integrated cold chain projects, and abattoirs), quality assurance, codex standards, research and development, human resource development, and strengthening industry-related institutions.

Table 8. India: Organizations under the Ministry of Food Processing Industries

Name	Objective
National Institute of Food Technology Entrepreneurship & Management (NIFTEM)	NIFTEM is expected to become a university dedicated to food processing technology. Located near New Delhi, the Institute will cater to the needs of all public and private sectors affiliated with food processing. Apart from teaching and Research, NIFTEM works as a sector promotion organization through its resources and expertise.
Indian Institute of Crop Processing Technology (IICPT)	IICPT is engaged in the research and development of food grain processing, value addition, and by-product utilization.
National Meat & Poultry Processing Board (NMPPB)	NMPPB fosters the development of the meat and poultry processing sectors and the production of healthy and hygienic meat and meat products
Indian Grape Processing Board (IGPB)	IGPB focusses on Research and Development, Extension, Quality Up-gradation, Market Research and Information, Domestic and International Promotion of Indian Wine

Source: Ministry of Food Processing Annual Report 2015-16

Consumption

In volume and value terms, sales of every category of processed foods increased significantly between 2011 and 2015. Industry sources estimate that over 400 million consumers consume some type of processed food regularly. A number of factors have combined to spur the increase in the consumption of packaged foods such as strong economic growth in recent years, more working women, urbanization, the nascent development of modern retail, the emergence of foreign and international brands, significant improvements in packaging and quality and savvy marketing campaigns. Expansion is being driven by domestic and multinational companies.

Urban areas account for over 75 percent of sales as consumers seek convenience and quality in processed foods. For higher value frozen and refrigerated foods, sales are almost exclusively in urban areas. Rural areas tend to have lower incomes and a preference for fresh ingredients. Nevertheless, rural areas are emerging as a market for well-priced shelf-stable foods. Consumers in developed markets are more open to the idea of packaged food, which manufacturers often position on the basis of convenience, nutrition, ease of use and food safety. This is something they need to do more of to attract Indian consumers.

Table 9. India: Sales Volume of Packaged Foods 2011 and 2015
(Thousand metric tons except where noted)

Category	2011	2015	Percent Change
Baby Food	54	64	18
Baked Goods	2,418	2,689	11
Biscuits and Snack Bars	1,409	1,848	31
Breakfast cereals	20	44	124
Confectionery	313	525	68
Dairy	12,631	16,333	29
Ice Cream and Frozen Desserts	212	319	50
Oils and Fats	2,860	3,753	31
Processed Fruit and Vegetables	28	50	75
Processed Meat and Seafood	5	11	110
Ready Meals	15	29	93
Rice, Pasta and Noodles	1,547	2,269	47
Sauces, Dressings and Condiments	292	443	52
Soup	5	8	60
Spreads	22	29	32
Sweet and Savory Snacks	376	720	92

Source: Euromonitor

Table 10. India: Sales Value of Processed Foods 2011 and 2015 ($ billion)

Category	2011	2015	Percent Change
Baby Food	0.31	0.53	73
Baked Goods	1.17	1.76	473
Biscuits and Snack Bars	1.89	3.40	80
Breakfast Cereals	0.09	0.21	148
Confectionery	1.45	3.35	131
Dairy	5.92	11.09	87
Ice Cream and Frozen Desserts	0.64	1.25	96
Oils and Fats	4.10	7.66	87
Processed Fruits and Vegetables	0.07	0.14	99
Processed Meat and Seafood	0.02	0.05	131
Ready Meals	0.05	0.12	126
Rice, Pasta and Noodles	1.94	3.54	83
Sauces, Dressings and Condiments	0.86	1.68	95
Soups	0.03	0.06	101
Spreads	0.08	0.17	107
Sweet and Savory Snacks	1.15	2.82	145
Total Packaged Foods	**19.76**	**37.83**	**91**

Source: Euromonitor

Fruits, Nuts and Vegetables: India is a large producer of fruits and vegetables, but only two percent are processed. Processing is relatively diffuse with many small-scale industries involved in production. The major processed items are fruit pulps, juices, Indian-style pickles, dehydrated vegetables, curried vegetables, dried fruits, and processed mushrooms. The United States, Tanzania, Benin, and Côte d'Ivoire, are major suppliers of dried fruits and nuts.

Meat and Poultry: The processed meat sector, which was formerly regulated by the Ministry of Food Processing, is now regulated by the Food Safety and Standards Authority of India. There are around 4,000 municipal slaughter houses in the country along with a number of modern private sector slaughter houses and meat processing plants. Over 100 of India's meat slaughter and meat processing plants are registered exporters of meat, primarily buffalo meat and, to a lesser degree, mutton.

Dairy: India is the world's largest dairy producer, but according to the National Dairy Development Board India, demand for dairy products is growing at twice the rate of production. Sales of dairy products grew from $6 billion in 2011 to $11 billion in 2015. Sales of ice cream and frozen desserts increased from $640 million in 2011 to $1.25 billion in 2015. Western cheeses and yoghurt are small but emerging dairy categories. Other categories include milk powder, ice cream powder, infant foods, and condensed milk.

Edible Oils: Edible oils purchased by households or institutional users are sold in liquid form or as vanaspati (partially hydrogenated vegetable oil). According to industry sources, 35 to 40 percent of the Indian edible oil market is branded. India is the world's largest importer of vegetable oil.

Milling and Baking: Approximately 90 percent of the grains undergo primary processing and wheat is the major grain processed in India, largely for wheat flour. Milling of rice and pulses makes up the balance of the grain processing sector. Most grain processing is carried out in the unorganized or informal sector but, some large players are active in the market and sell processed grains in branded retail packs. Additionally, imported specialty flours direct for retail have found a niche in the Indian market owing to greater awareness of their benefits or unique attributes.

With changing lifestyles, the breakfast cereal segment is showing slow and steady growth, primarily for corn flakes and oat products. The bakery and snacks industry is dominated by small and medium players and a handful of large firms. As a result of growth in baking and retail industry imports of ingredients such as malt, starches, food flavoring agents, and wheat gluten are increasing. India also imports a significant amount of pulses from Myanmar, Canada, Australia, China, and Kenya.

Grape and Wine Processing: There is a small but growing interest in wine in India as consumers are exposed to wine while traveling and by domestic wine makers. Hotels are carrying more wines, both domestic and imported, and wine is gaining favor among women and by men who have primarily consumed whisky.

Imported Food Ingredients: Food processors are introducing new products and traditional recipes using improved technology, innovative packaging, and aggressive marketing. For ingredients that are not available in India, processors turn to imports and typically source through importers specializing in food ingredients. Food ingredients sourced by Indian food processing companies from the U.S. were valued at $153 million in 2015 and include protein concentrates, essential oils, , starch, vegetable saps and extracts, thickeners, lactose, sugar and sugar syrups, mayonnaise, mixed seasonings, sauces and preparations, yeast, baking powders, sweeteners and other preparations for beverages, vinegar, oleoresins, and gelatin and gelatin derivatives.

Table 11. India: Top 10 Imports of Food Ingredients from United States ($ Millions)

HS Code	Description	2011	2012	2013	2014	2015	CAGR
210690	Food Preparations Nesoi	17.10	16.91	19.02	13.85	11.62	-7%
350510	Dextrins and other Modified Starches	7.10	6.87	8.64	7.66	8.82	4%
170211	Lactose and Lactose Syrup Cont 99% More Lactse by Wt	8.86	8.06	8.32	7.51	7.84	-2%
350790	Enzymes and Prepared Enzymes, Nesoi	2.67	2.81	6.46	6.64	10.14	31%
170219	Lactose in solid form and lactose syrup, Nesoi	2.01	3.99	4.05	4.81	1.95	-1%
210390	Sauces Etc., Mixed Condiments and Seasonings, Nesoi	1.83	1.64	1.59	1.95	1.84	0%
210210	Yeasts, Active	0.34	0.49	0.58	1.01	1.48	34%
350220	Milk albumin. Inc Concen of 2 or more whey proteins	3.12	4.38	5.11	4.99	5.7	13%
180690	Cocoa preparations, Not in Bulk form, Nesoi	1.01	0.62	0.48	1.10	0.52	-12%
350290	Albumin and Albumin Derivatives, Nesoi	2.78	1.36	1.14	0.94	0.98	-19%

Source: Directorate General of Foreign Trade, Ministry of Commerce, Government of India

Section III: Competition

India's domestic industry is the primary competitor for U.S. food ingredient exporters. India, with its diverse agro–climatic conditions, produces a variety of foods and ingredients and the quality of which is expected to improve as firms invest in the food processing and logistics sectors. In addition, some competing suppliers enjoy a freight advantage and consolidators in markets like Dubai and Singapore offer quick delivery of small quantities. High import duties and restrictions on a number of imported raw materials pose an additional challenge for U.S. exporters interested in the Indian market.

Table 12. India: Top 10 Imports of Intermediate Products from United States ($ Millions)

HS Code	Description	2011	2012	2013	2014	2015
	Intermediate Agricultural Total					
210610	Protein Concentrates and Textured Protein Substances	7.80	13.05	14.89	18.35	27.25
350400	Peptones, other proteins and Deriv Etc., Hide Powder	8.12	9.48	6.24	10.49	12.74
291570	Palmitic Acid, Stearic Acid, Their Salts and Estrs	4.56	6.21	5.31	8.40	8.08
130239	Mucilage & Thickner W/N Modified Frm Veg Prd Nesoi	2.97	6.80	6.83	8.00	7.16
330210	Mixtures Odoriferous Substance Use Food/Drink Ind	4.94	5.87	6.40	7.32	6.61
350300	Gelatin & Deriv; Isinglass; Glues, Animal Or Nesoi	0.56	2.66	7.28	6.26	6.74
130219	Vegetable Saps and Extracts, Nesoi	4.09	5.21	3.10	5.49	6.2
130232	Mucilages/Thicknrs Frm Locust Bean/Seed, Guar Seed	1.51	3.48	6.09	2.56	3.01
330129	Essential Oils, Nesoi	3.24	2.34	1.32	2.51	2.32
330130	Resinoids	0.61	1.44	1.26	2.26	0.92
Source: Global Trade Atlas						

Table 13. India: Competition in Major Product Categories

Product Category	Net Imports (In $ Million) CY 2015	Major Supply Sources	Strengths of Key Supply Countries	Advantages (A) and Disadvantages (D) of Local Suppliers
Animal or vegetable oils, fats and their cleavage products	10,490	Indonesia Malaysia Argentina Ukraine	Major production hubs and competitive prices	Local production is inadequate and more than 40 percent of total edible oil consumption is dependent on imports.(A)
Leguminous Vegetables, Dried Shelled/Pulses	3,613	Canada Myanmar Australia Russia	Price Competitiveness, freight advantage (for countries like Myanmar) and the ability to produce specific kind of pulses demanded in India.	Local production is inadequate and more than 20 % of total demand for pulses is met through imports.(A)

Edible Fruits and Nuts	3,057	USA Côte d'Ivoire Tanzania Benin	Growing market demand, preference for specific quality, popular at certain holidays	Domestic production of some of the major fruits and nuts is insignificant (A)
Sugars and sugar confectionery	581	Brazil Germany China USA	Price competitiveness	India is usually a net exporter of sugar (D)
Coffee, Tea, Mate And Spices	756	Vietnam Sri Lanka Indonesia Nepal	Price Competiveness and proximity	Most imports are for re-export (D)
Albuminoidal Substances; Modified Starches; Glues; Enzymes	365	China USA Germany Thailand	Price Competiveness	Local production is limited (A), U.S. supplies good quality products with competitive prices (A)
Lac; Gums; Resins And Other Vegetable Saps And Extracts	196	Afghanistan USA China Sudan	Price Competiveness and proximity	Local production is limited (A), U.S. supplies good quality products with competitive prices (A)
Products of the milling industry, malt, starches, insulin, wheat gluten	57	Australia China France UAE	Price Competitiveness, high quality	Growing domestic industry (A), Increasing awareness about health & quality food (A), Stringent food laws (D)
Dairy produce; birds' eggs; natural honey; edible prod. Of animal origin	47	France New Zealand Denmark Netherlands	Price Competiveness, sanitary requirements	Domestic production is not keeping pace with demand (A). The Indian import protocol is very stringent and effectively prohibits imports of dairy products from the United States. (D)

Source: Ministry of Commerce and Industries and FAS India analysis

Section IV: Best Product Prospects

Table 14. India: Best Product Prospects for the Food Processing Ingredients

Product Types	Import Value ($ Million) CY 2015	Import Volume (Metric Tons) CY 2015	5–yr. Import growth by value	Basic Import Tariff	Key Constraints	Market Attractiveness For USA

			(in %)			
Nuts (mainly Almonds)*	1,066	200,384	18	In shell Almonds (Rs. 35/Kg) Pistachios (10%)	Competition from other suppliers exists but is not substantial	High demand and growing retail industry
Cocoa and cocoa preparations	205	53,715	10	30%	Strong competition from domestic and international suppliers	Strong quality and brand preference
Products of the milling industry, Malt, starches, insulin, wheat gluten	57	74,381		30%	Competition from domestic suppliers	Growing bakery and retail industry and increased popularity for processed foods
Leguminous Vegetables, Dried Shelled/Pulses	3,613	5,414,320	12	0%	Price Competitiveness, freight advantage (for countries like Myanmar) and the ability to produce specific kind of pulses demanded in India.	Local production is inadequate and more than 20% of total demand for pulses is met through imports.
Apples, Pears and Quinces Fresh	236	215,676	10	Apples 50% Pears 30%	Competition from domestic and foreign suppliers like China, Chile, and New Zealand	Seasonal shortages and high prices, increasing interest in quality fruits and growth of organized retail
Grapes Fresh or Dried	66	202,259	21	30%	Competition from domestic and foreign suppliers	Seasonal shortages and high prices, increasing interest in quality fruits and growth of organized retail
Fruit Juices	33	20,542 liters	3	30%	Competition from domestic manufactures and foreign suppliers from neighboring countries	Increasing health awareness and shortage of quality products
Beverages, Spirits and Vinegar	569	392,140,302 liters	16	150%	High import duty and competition from domestic suppliers	Growing consumption and lack of domestic production
Albuminoidal Substances; Modified	365	103,705	9	41%	Competition from domestic and foreign suppliers	High demand and growing ready to eat

Starches; Glues; Enzymes					like China, Thailand and Taiwan	(packaged) food industry
Essential Oils, Concentrates; Resinoids; Extracted Oleoresins; Concen Of Essen Oils And Terpenic Byproducts; Aqueous Solutns Etc. Of Essen Oil	160	6,310	9	41%	Competition from domestic and foreign suppliers like China, Thailand and Taiwan	High demand and growing retail industry, Demand for additional flavorings

*Includes almonds, walnuts, pistachios, hazelnuts, chestnuts etc.
Source: Ministry of Commerce and Industry, GOI and Post analysis

Products Not Present Because They Face Significant Barriers
There are several key trade restrictions that limit market access for U.S. food products. Imports of most animal and livestock-derived food products are effectively banned due to established Indian import requirements. This includes certain sub-categories in the Harmonized Tariff Schedule under Chapters 2, 3, 4, 5, 16 and 21 (e.g., milk and dairy products, poultry meat, certain seafood, ovine and caprine products, as well as pork products and pet food). Furthermore, imports of beef are banned due to religious concerns. Though imports of alcoholic beverages exist, market access is constrained by occasional state bans, local taxes, and a complex licensing system for distribution and sales.

Effective July 8, 2006, the Government of India's (GOI) Foreign Trade Policy (2004-2009) specified that all imports containing products of modern biotechnology must have prior approval from the Genetic Engineering Approval Committee (GEAC), Ministry of Environment and Forests. The policy also made a biotech declaration mandatory. Soybean and canola oil derived from GE soybeans (select events) and canola are the only biotech food/agricultural product currently approved for import. For more information on India's biotech import policy, please see –IN6157 Agricultural Biotechnology Annual 2016.

Section V: Post Contact and Further Information
The following reports may be of interest to U.S. exporters interested in India. These, and related reports, can be accessed via the FAS Home Page: www.fas.usda.gov by clicking on "Data & Analysis" and then selecting GAIN reports and choosing the "search reports" function to refine the desired criteria (e.g., category and date range).

Report Number	**Subject**

IN6165	Food Service- HRI 2016
IN6166	Food Processing Ingredients 2016
IN6163	Exporter Guide 2016
IN6162	Food and Agricultural Import Regulations and Standards – Narrative
IN6080	Agricultural and Agribusiness Consultants 2016
IN6157	Agricultural Biotechnology Annual 2016
IN6159	India Food and Agricultural Trade Show Calendar 2017

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